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March 10, 2004

VIA HAND DELIVERY

Deborah Tate, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37219

Re: Petition of Chattanooga Gas Company, Nashville Gas Company, a division of Piedmont Natural Gas Company, Inc. and Atmos Energy Corporation for a Declaratory Ruling regarding the Collectibility of the Gas Cost Portion of Uncollectable Accounts under the Purchase Gas Adjustment ("PGA") Rules
Docket No. 03-00209

Dear Chairman Tate:

Enclosed you will find the original and thirteen copies of the Comments of Petitioners, Chattanooga Gas Company, Nashville Gas Company, a division of Piedmont Natural Gas Company, Inc. and Atmos Energy Corporation, on the Tennessee Regulatory Authority's Modification of the Refund Formula in the Purchase Gas Adjustment Rules.

Sincerely,



D. Billye Sanders
Attorney for Chattanooga Gas Company

DBS/hmd
Enclosures

WALLER LANSDEN DORTCH & DAVIS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Deborah Tate, Chairman

March 10, 2004

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cc: Shilna Chatterjee, Esq.
Archie Hickerson
Bill Morris
James Jeffries, Esq.
Patricia Childers
Joe A. Conner, Esq.

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE.)	
)	
PETITION OF CHATTANOOGA GAS)	
COMPANY, NASHVILLE GAS COMPANY,)	
A DIVISION OF PIEDMONT NATURAL)	
GAS COMPANY, INC. AND)	DOCKET NO. 03-00209
ATMOS ENERGY CORPORATION,)	
FOR A DECLARATORY RULING)	
REGARDING THE COLLECTIBILITY)	
OF THE GAS COSTS PORTION OF)	
UNCOLLECTIBLE ACCOUNTS UNDER)	
THE PURCHASED GAS ADJUSTMENT)	
("PGA") RULES)	

Petitioners' Comments on TRA Modification of Refund Formula

Come now Petitioners Chattanooga Gas Company, Nashville Gas Company, a division of Piedmont Natural Gas Company, Inc., and Atmos Energy Corporation ("Petitioners") and respectfully submit the following Comments on the Refund Formula Modification under Rule 1220-4-7-.03(1)(b)(3) adopted by the Tennessee Regulatory Authority ("Authority") at its February 9, 2004 Conference.

This docket involves a request by Petitioners for a declaratory ruling that the gas costs portion of uncollectible accounts are properly recoverable by Petitioners under the Authority's existing Rules. This request was opposed by the Consumer Advocate Protection Division of the State Attorney General's Office ("CAPD"). On February 9, 2004, at its regularly scheduled Authority Conference, and following previous briefing and argument, the Authority addressed cross-motions for summary judgment filed respectively by the CAPD and Petitioners. In ruling on these motions, the Authority adopted a modification to the refund formula established under Authority Rule 1220-4-7-.03. In adopting this

modification, the Authority ruled that all interested parties, including the Petitioners, would have thirty (30) days within which to provide comments to the Authority on its refund formula modification.

In the interim period since the February 9, 2004 Authority Conference, Petitioners have individually reviewed the Authority's refund formula modification. As a result of that review, and consultation amongst the individual Petitioners, Petitioners have concluded that the refund formula modification adopted by the Authority is an acceptable mechanism to address the problem prompting Petitioners' request for declaratory order in this proceeding. Consistent with the Authority's directives, Petitioners will implement such modification for uncollectible gas costs booked on and after March 10, 2004.

Respectfully submitted this 10th day of March, 2004.

Chattanooga Gas Company

By *D. Billye Sanders*
D Billye Sanders
Its Attorney
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Nashville Gas Company, a Division of
Piedmont Natural Gas Company, Inc.

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been mailed,
postage prepaid to the following this 10th day of March, 2004.

Shilina B. Chatterjee
Vance Broemel
Assistant Attorneys General
Office of Consumer Advocate and Protection Division
425 Fifth Avenue North
Nashville, TN 37202-0207

D. Billye Sanders
D. Billye Sanders